

# MARKETING NOTES

## WEEK 1: DEFINITION OF MARKETING

### **Definition of Marketing:**

- “A social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others”(Kotler, 2010 p5)
- “Marketing is the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large” (AMA – American Marketing Association)
- Satisfying customer needs by creating value through interacting and working with the customer

### **The Marketing Process**

1. Understand the marketplace and customer needs and wants
2. Design a marketing strategy
3. Construct an integrated marketing mix that delivers superior value
4. Build profitable relationships and create customer delight
5. Capture value from customers to create profits and customer equity

### **Marketing Terms: Value**

#### Customer Value:

The difference between the benefits the customer gains from having access to or owning and using an offering, and the costs of obtaining it

- *Functional/Instrumental Value (Product benefit):*
  - Correct/accurate attributes (does it have what I want it to have?)
  - Appropriate performances (does it do what it is meant to do, when and how it is meant to do it)
  - Appropriate outcomes (effectiveness)
- *Experiential/Hedonic Value”*
  - Sensory
  - Emotional
  - Social/relational (personal benefit)
  - Epistemic
- *Symbolic/Expressive Value*
  - Self identity/worth
  - Personal meaning
  - Self expression
  - Social meaning
  - Conditional meaning
- *Cost/Sacrifice Value*
  - Economic (price/monetary cost)

- Psychological
- Personal investment
- Risk

### **Delivering customer value profitably**

- Marketing is the challenge of delivering customer value to the market in such a way that the company also benefits in terms of profitability

### **WEEK 2: ORIGINS OF MARKETING**

- Grounded in the exchange process by which two or more parties give something of value to each other in order to satisfy perceived needs
  - Transition from subsistence economies to trading economies based on surplus production
  - Facilitated by development of technology and more sophisticated economic systems

### **Marketing and Economic Development**

- Self sufficiency
- Primitive communalism
- Simple barter
- Local markets
- Money economy
- Early capitalism
- Mass production
- Affluent society

### **Modern Marketing**

- 1880's: First Professor of Marketing
- 1910: Emergence of 'marketing' from German Economics to US
- 1948: Culliton – organisational ingredients
- 1964: Borden – classified ingredients into 13 elements
- McCarthy – 4 Ps of marketing – Price, Product, Place, Promotion

### **Marketing Terms:**

- Needs
  - States of felt deprivation (physical, social, self expression)
- Wants
  - The form taken by human needs as they are shaped by culture and individual personality
- Demands
  - Human wants that are backed by buying power
- Market (place)
  - The set of all actual and potential buyers of a product. They share a particular need or want that can be satisfied through exchange
  - Name of a context e.g. "clothing", "DVD" market
  - Total group of people e.g. "baby boomers"

